

THE HENDRICKSON COMPANY

1404 Alban Avenue ☞ Tallahassee, Florida 32301
Telephone: 850-671-5601
mark@thehendricksoncompany.com

To: Housing Finance Authority of Leon County Board of Directors
From: Mark Hendrickson, Administrator
Subject: May 9, 2019 Board Meeting
Date: May 2, 2019

I. Financial Reports and Budget—Action

1. The April 2019 Financial Statement is attached. Net assets as of March 31, 2019 are \$1,124,526.28, with \$653,526.22 in cash (\$42,859.01 restricted).
2. All Emergency Repair and CDBG expenditures are booked against the restricted assets from the property sales (they meet the test as direct housing expenditures).
 - ✓ Total revenues from property sales: \$107,102
 - ✓ Emergency Repair expenditures since August 2016: \$52,079.99
 - ✓ CDBG rehab: \$12,163
 - ✓ Remaining Restricted Funds: \$42,859.01
3. An Expenditure Approval list and bank/SBA statements are attached.
4. **Recommendations:**
 - Accept Financial Statements
 - Approve expenditures detailed on Expenditure Approval list.

II. Multi-Family Bond Application: Magnolia Terrace—Informational

1. An application for bond financing for the acquisition and rehabilitation of Magnolia Terrace was received along with appropriate fees.
2. The financing is for the acquisition and rehabilitation of 108 unit Section 8 development built in 972 and located just east of Magnolia Drive and Golf Terrace. The financing sources are a first-mortgage and tax credit equity (no SAIL or local government funds).
3. The development was induced and will proceed through credit underwriting. A TEFRA hearing was held on Monday, April 15, with no public comment. The request for TEFRA approval was forwarded to the BOCC immediately thereafter—the TEFRA approval is needed to apply for bond allocation. TEFRA approval is on the May 14 BOCC agenda.
4. **Recommendation:** None.

Name	Magnolia Terrace
Owner Entity*	LIH Magnolia Terrace, LP
Developer/Location	Levy Affiliated Holdings Santa Monica, CA 90401
Type	Acquisition and Rehabilitation Garden
Street Address	509 East Magnolia Dr, Tallahassee, FL 32301
County Commission District	District 1, Bill Proctor
Units	108
Bedrooms	232
# of Buildings	17, 15 residential, 1 community room, and 1 office/laundry
# of Stories	2
Bond Request	\$13,000,000 \$120,370/unit
Total Cost	\$20,178,702
Cost Per Unit	\$186,840
Land Cost	\$720,000 \$6,666/unit
Acquisition of Building Cost	\$8,280,000 \$76,667/unit
Hard Construction Cost	\$5,352,925 \$49,564/unit
General Contractor	Wilshire Pacific Builders, LLC
Credit Enhancement	TBD
Set-Aside Period	30 years: HFA requires 50 years
Set-Aside Levels	40% of the 108 units <60AMI—Tax Credits 100% <60% AMI

III. Emergency Repair Program—Action

1. The HFA authorized an emergency repair program, for minor repairs that need immediate attention—and are not covered by the County’s SHIP Program. A total of \$30,000 was authorized for this program through September 30, 2018, with another \$30,000 committed for FY 18-19. Individual repairs are limited to \$1,650 per home (\$7,500 for senior or persons with special needs that reside in mobile homes).
2. Of the FY 18-19 allocation, \$11,250 was funded in September and the remaining \$18,750 in April. This illustrates the success of the program and the need for additional funds (all but \$565 of the \$30,000 was expended in the first six months of the fiscal year).
3. The County has submitted the requested executive summary of the results of the program, showing its great success. Fifty-one households have been served with leaking roofs and septic system malfunctions the most often remedied issues. Twenty-one of these households used \$15,830 of Emergency Repair funds to bridge to SHIP repairs totaling over \$200,000—leveraging HFA funds at 12.0 to 1.0.
4. As all the funds available this FY are utilized, the County will refer to partner organizations who may be able to assist. There are currently six households in this position.
5. **Recommendation:** Consider approval of budget amendment for additional Emergency Repair Program funding in FY 18-19.

IV. County Request for Funding in FY 19-20—Informational

1. The County has submitted their funding request for FY 19-20, as follows:
 - Emergency Repair Program \$50,000 (up from \$30,000 this year)
 - Leon County Home Expo \$ 1,500 (same as this year)
 - 9/11 Day of Service \$ 1,500 (same as this year)
2. Recommendation: Consider Request at June HFA meeting.

V. Real Estate—Informational

1. The Real Estate Division is responsible for selling surplus properties designated for affordable housing, with proceeds of the sale coming to the HFA.
2. Sales of six properties by the Real Estate Division generated total revenues to the HFA of \$82,802. Subsequently, Ketcham Realty was engaged by the County as a broker for the properties.
3. Update from Mitzi McGhin and Scott Ross
 - Three properties (4033 & 4037 Bishop Road & 4043 Buster Road) sold for \$8,000 each, with \$1,500 to Ketcham and \$6,500 to HFA for each property. Check has been cut to HFA but not received.
 - Two properties sold for \$4,000 (2575 Tiny Leaf Road) and \$3,000 (1209 Southern Street), with \$1,000 to Ketcham and \$6,000 to the HFA (check in process)
 - Several additional properties have pending sales
4. **Recommendation:** None.

VI. Legal Update—Informational

1. There is no update required.
2. **Recommendation:** None.

VII. Escambia HFA Single Family Program—Informational

1. From 10-1-18 to 3-31-19, eighteen loans totaling \$2,344,826 were closed in Leon County. Only three of those loans closed in 2019.
2. A payment for 0.2% or \$4,689.65 has been received and will appear in the May financials.
3. No DPA loans repaid—therefore there was no payment related to this item.
4. **Recommendation:** None.

VIII. To-Do List—Informational

To-Do Item	HFA	Admin	CAO	SL	NBN	Status	Completed
March 2019							
Board directed Administrator to invite a representative of the Orange Avenue Redevelopment effort to an HFA meeting to discuss financing opportunities		X				In process	
Board directed Administrator to research Opportunity Zones and their potential benefit to MF bond developments/financings		X				In process	
April 2019							
The Board requested the Administrator to discuss wire fees with Capital City Bank		X				Fees were part of bid for services	Complete
The Board directed the Administrator to work with Mr. Lamy on a summary of TEFRA for the BOCC		X				Working on agenda item for Magnolia Terrace	In progress
The Board requested an executive summary of the results of the Emergency Repair Program						Received from County and in Packet	Complete

IX. State Legislative Update—Informational

1. The 2019 legislative session began March 5 and is scheduled to end May 3. It will extend to May 3 to pass the budget.
2. The latest (March 2019) revenue estimate for doc stamp distributions into the Housing Trust Funds for FY 19-20 was \$331.96 million. Also available are monies in the trust fund that were neither swept nor appropriated, and some interest earning, bringing the total available for appropriation in FY 19-20 to approximately \$353 million. Each entity used a different total.
3. Governor DeSantis released his proposed budget February 1 and including full funding for housing—using every penny in the trust funds for housing programs and sweeping no monies. The Senate also proposed full funding; however, the House proposed sweeping over 60% of the funds to General Revenue—and appropriating money only for Panhandle counties impacted by Hurricane Michael. The final budget:

Appropriation of Housing Trust Fund Monies: \$331.96 Million

Revenue Estimate from March 2019 REC Conference

	GOVERNOR	SENATE	HOUSE	FINAL BUDGET FY 19-20	FINAL BUDGET FY 18-19
FHFC: SAIL Line 2315	\$ 85,448,000	\$ 61,775,600	\$0	\$ 39,040,000	\$ 79,180,000
FHFC: SAIL Workforce Keys Line 2315	\$ 20,000,000	\$0	\$0	\$0	\$0
SHIP Line 2316	\$246,930,000	\$170,102,400	\$0	\$ 46,560,000	\$ 43,950,000
Hurricane Housing Recovery Program (SHIP-like program for Hurricane Michael disaster counties only) Line 2316A	\$0	\$ 90,000,000	\$ 49,450,000	\$ 65,000,000	\$ 0
Rental Recovery Loan Program (SAIL-like program (for Hurricane Michael disaster counties only) Line 2316 A	\$0	\$ 10,000,000	\$ 74,180,000	\$ 50,000,000	\$ 0
TOTAL HOUSING	\$352,378,000	\$331,878,000	\$123,630,000	\$200,600,000	\$123,630,000
SHTF SWEEP	\$0	\$0	\$ 60,000,000	\$ 10,000,000	\$ 54,600,000
LGHTF SWEEP	\$0	\$0	\$140,000,000	\$115,000,000	\$127,400,000
TOTAL SWEEP	\$0	\$0	\$200,000,000	\$125,000,000	\$182,000,000
Unallocated SHTF	\$0	\$ 600,000	\$ 7,358,000	\$ 300,000	\$2,600,000
Unallocated LGHTF	\$0	\$15,610,000	\$17,100,000	\$7,060,000	\$5,850,000

Proviso/Back of the Bill for FHFC:

- 10% of SAIL for competitive grant for housing for persons with developmental disabilities
- \$8 million from SAIL for Jacksonville Urban Core Workforce Housing Program (Senate Form 2071)
- \$500,000 from SHIP for Catalyst Training
- \$1 million from SHIP for grants to nonprofit organizations that build, modify, maintain, transfer & enhance home to and for Florida veterans (at least 15 homes)
- HHRP funds may be spent on (including, not limited to) repair and replacement of housing; assistance to homeowners to pay insurance deductibles; repair, replacement and relocation assistance for manufactured homes; acquisition of building materials for home repair and construction; housing re-entry assistance, such as security deposit utility deposits, and temporary storage of household furnishings; foreclosure eviction prevention, including monthly rental assistance for a limited period of time; or strategies in the approved local housing assistance plans.
- HHRP distribution by FEMA damage assessment data and population.

Additional Homeless Funding				
Item	Amount	Line Item	Source	Agency
Challenge Grants	\$3,181,500 Senate	346	GR	DCF
Federal Emergency Shelter Grant Program	\$7,803,393	347	Federal Grants TF & Welfare Transition TF	DCF
Homeless Housing Assistance Grants—note specific projects funded from this listed below	\$4,490,800 Senate	348	GR	DCF
Homeless Veterans Housing Assistance Brevard County	\$150,000	348 Senate Form 1535	GR	DCF
CESC, Inc. Homeless Services	\$1,000,000	348 Senate Form 1996	GR	DCF
The Transition House Homeless Veterans Program	\$200,000 Senate	348 Senate Form 1369	GR	DCF
Citrus Health Safe Haven for Homeless Youth	\$140,800	348 Senate Form 2136	GR	DCF
CASL Renaissance Manor Independent Supportive Housing (Lee County)	\$500,000	373 Senate Form 1342	GR	DCF
Housing First for Persons with Mental Illness (Miami-Dade County)	\$100,000	373 Senate Form 1925	GR	DCF
Five Star Veterans Center Homeless Housing & Reintegration	\$250,000	575A Senate Form 1891	GR	Health
Homeless Collaborative of Broward County Rapid Rehousing	\$250,000	2307A Senate Form 1063	GR	DEO

Other Projects				
Item	Amount	Line Item	Source	Agency
Facility Improvement for City-Owned Elderly Housing Properties- Hialeah	\$635,000	2307A HB 3745	GR	DEO
Casa Familia Village Pilot Program	\$300,000	2307A Senate Form 1605	GR	DEO
NeighborWorks Florida Collaborative Catalyst for Florida	\$250,000	2307A Senate Form 1189	GR	DEO

4. The SHIP distributions—at full funding—have been calculated for FY 19-20. With all monies in the housing trust funds appropriated for housing, Leon County and the City of Tallahassee would receive a combined \$3,510,107 (County \$1,200,106, City of Tallahassee

\$2,310,001). **Under the House proposal, Leon County and Tallahassee would have received \$0 for both SHIP and SAIL. Under the final budget, SHIP will be funded at approximately the same level as this year.**

5. Other housing bills have been filed or are in the works. Some may have good aspects, and some are simply bad concepts. A report will be made at the HFA meeting on what passed.
6. **Recommendation:** None.